

---

# A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that Hawaii's liquor laws  
2 contain inconsistencies regarding liquor manufacturing and  
3 sales. Furthermore, it is necessary to allow brewpubs and small  
4 craft producer pubs to obtain a direct shipper permit because  
5 such businesses usually do not have access to distributors that  
6 can export their beer out of state.

7       Accordingly, the purpose of this Act is to:

8       (1) Allow a class 18 small craft producer pub licensee to  
9       manufacture not more than 125,000 barrels of malt  
10       beverages on the licensee's premises during the  
11       license year;

12       (2) Clarify that a class 14 brewpub licensee or class 18  
13       small craft producer pub licensee may conduct certain  
14       activities at satellite locations other than the  
15       licensee's primary manufacturing premises under  
16       certain conditions;

17       (3) Clarify the definition of "growler"; and



1 (4) Allow direct shipment of all forms of liquor, rather  
2 than just wine, by certain licensees.

3 SECTION 2. Section 281-31, Hawaii Revised Statutes, is  
4 amended as follows:

5 1. By amending subsection (n) to read:

6 "(n) Class 14. Brewpub license. A brewpub licensee:

7 (1) May sell malt beverages manufactured on the licensee's  
8 premises for consumption on the premises;

9 (2) May sell malt beverages manufactured by the licensee  
10 in brewery-sealed packages to class 3 wholesale dealer  
11 licensees pursuant to conditions imposed by the county  
12 by ordinance or rule;

13 (3) May sell intoxicating liquor purchased from a class 3  
14 wholesale dealer licensee to consumers for consumption  
15 on the licensee's premises. The categories of  
16 establishments shall be as follows:

17 (A) A standard bar; or

18 (B) Premises in which live entertainment or recorded  
19 music is provided. Facilities for dancing by the  
20 patrons may be permitted as provided by  
21 commission rules;



1       (4) May, subject to federal labeling and bottling  
2       requirements, sell malt beverages manufactured on the  
3       licensee's premises to consumers in brewery-sealed  
4       kegs and recyclable or reusable containers and sell  
5       malt beverages manufactured on the licensee's premises  
6       or purchased from a class 1 manufacturer licensee, a  
7       class 3 wholesale dealer licensee, a class 14 brewpub  
8       licensee, or a class 18 small craft producer pub  
9       licensee to consumers in growlers for off-premises  
10      consumption; provided that for purposes of this  
11      paragraph, "growler" means a [glass, ceramic, or  
12      metal] recyclable or reusable container[7] that does  
13      not [to] exceed one [half-gallon, which shall be  
14      securely sealed,

15      ~~(5) May, subject to federal labeling and bottling~~  
16      ~~requirements, sell malt beverages manufactured on the~~  
17      ~~licensee's premises in recyclable containers provided~~  
18      ~~by the licensee or by the consumer which do not exceed~~  
19      ~~one] gallon [per container] and [are] is securely~~  
20      ~~sealed on the licensee's premises [to consumers for~~  
21      ~~off-premises consumption];~~



1       ~~[(6)]~~ (5) Shall comply with all ~~[regulations]~~ requirements  
2               pertaining to class 4 retail dealer licensees when  
3               engaging in the retail sale of malt beverages;

4       ~~[(7)]~~ (6) May, subject to federal labeling and bottling  
5               requirements, sell malt beverages manufactured on the  
6               licensee's premises in brewery-sealed containers  
7               directly to class 2 restaurant licensees, class 3  
8               wholesale dealer licensees, class 4 retail dealer  
9               licensees, class 5 dispenser licensees, class 6 club  
10              licensees, class 8 transient vessel licensees, class 9  
11              tour or cruise vessel licensees, class 10 special  
12              licensees, class 11 cabaret licensees, class 12 hotel  
13              licensees, class 13 caterer licensees, class 14  
14              brewpub licensees, class 15 condominium hotel  
15              licensees, class 18 small craft producer pub  
16              licensees, and consumers pursuant to conditions  
17              imposed by county ~~[regulations]~~ ordinances or rules  
18              governing class 1 manufacturer licensees and class 3  
19              wholesale dealer licensees;

20       ~~[(8)]~~ (7) May conduct the activities under paragraphs (1)  
21              to ~~[(7)]~~ (6) at ~~[one location]~~ locations other than



1 the licensee's primary manufacturing premises;  
2 provided that:

3 (A) The manufacturing takes place in Hawaii; ~~[and]~~

4 (B) ~~[The]~~ Each of the other [location is] locations:

5 (i) Operates within the State under the same  
6 trade name for the premises; and

7 (ii) Is properly licensed [under the same  
8 ownership;] within the county of its  
9 operation as a class 1 manufacturer  
10 licensee, class 2 restaurant licensee, class  
11 4 retail dealer licensee, class 5 dispenser  
12 licensee, class 12 hotel licensee, class 14  
13 brewpub licensee, or class 18 small craft  
14 producer pub licensee;

15 (C) The county liquor commission of the county in  
16 which the licensee satellite is located shall  
17 have jurisdiction of the satellite; and

18 (D) All requirements of the license class of the  
19 location shall be in effect as required by the  
20 county liquor commission for the satellite  
21 licensed premises; and



1       ~~[-(9)-]~~ (8) May allow minors, who are accompanied by a parent  
2                   or legal guardian of legal drinking age, on the  
3                   licensee's premises."

4       2. By amending subsection (r) to read:

5       "(r) Class 18. Small craft producer pub license. A small  
6 craft producer pub licensee:

7       (1) Shall manufacture not more than:

8           (A) ~~[Sixty]~~ One hundred twenty-five thousand barrels  
9                   of malt beverages;

10          (B) Twenty thousand barrels of wine; or

11          (C) Seven thousand five hundred barrels of alcohol on  
12                   the licensee's premises during the license year;

13           provided that for purposes of this paragraph, "barrel"  
14           means a container not exceeding thirty-one gallons or  
15           wine gallons of liquor;

16       (2) May sell malt beverages, wine, or alcohol manufactured  
17           on the licensee's premises for consumption on the  
18           premises;

19       (3) May sell malt beverages, wine, or alcohol manufactured  
20           by the licensee in producer-sealed packages to class 3



1 wholesale dealer licensees pursuant to conditions  
2 imposed by the county by ordinance or rule;

3 (4) May sell intoxicating liquor purchased from a class 3  
4 wholesale dealer licensee to consumers for consumption  
5 on the licensee's premises. The categories of  
6 establishments shall be as follows:

7 (A) A standard bar; or

8 (B) Premises in which live entertainment or recorded  
9 music is provided. Facilities for dancing by the  
10 patrons may be permitted as provided by  
11 commission rules;

12 (5) May, subject to federal labeling and bottling  
13 requirements, sell malt beverages manufactured on the  
14 licensee's premises to consumers in producer-sealed  
15 kegs and recyclable or reusable containers and sell  
16 malt beverages manufactured on the licensee's premises  
17 or purchased from a class 1 manufacturer licensee, a  
18 class 3 wholesale dealer licensee, a class 14 brewpub  
19 licensee, or a class 18 small craft producer pub  
20 licensee to consumers in growlers for off-premises  
21 consumption; provided that for purposes of this



1 paragraph, "growler" means a [~~glass, ceramic, or~~  
2 metal] recyclable or reusable container[~~7~~] that does  
3 not [~~to~~] exceed one [~~half-gallon,~~] gallon, which shall  
4 be securely sealed;

5 (6) May, subject to federal labeling and bottling  
6 requirements, sell [~~malt beverages,~~] wine[~~7~~] or  
7 alcohol manufactured on the licensee's premises in  
8 recyclable containers provided by the licensee or by  
9 the consumer which do not exceed:

10 (A) One gallon per container for [~~malt beverages and~~]  
11 wine; and

12 (B) One liter for alcohol; and  
13 are securely sealed on the licensee's premises to  
14 consumers for off-premises consumption;

15 (7) Shall comply with all [~~regulations~~] requirements  
16 pertaining to class 4 retail dealer licensees when  
17 engaging in the retail sale of malt beverages, wine,  
18 and alcohol;

19 (8) May, subject to federal labeling and bottling  
20 requirements, sell malt beverages, wine, and alcohol  
21 manufactured on the licensee's premises in producer-





1 sealed containers directly to class 2 restaurant  
2 licensees, class 3 wholesale dealer licensees, class 4  
3 retail dealer licensees, class 5 dispenser licensees,  
4 class 6 club licensees, class 8 transient vessel  
5 licensees, class 9 tour or cruise vessel licensees,  
6 class 10 special licensees, class 11 cabaret  
7 licensees, class 12 hotel licensees, class 13 caterer  
8 licensees, class 14 brewpub licensees, class 15  
9 condominium hotel licensees, class 18 small craft  
10 producer pub licensees, and consumers pursuant to  
11 conditions imposed by county ~~[regulations]~~ ordinances  
12 or rules governing class 1 manufacturer licensees and  
13 class 3 wholesale dealer licensees;

14 (9) May conduct the activities under paragraphs (1) to (8)  
15 at ~~[one location]~~ locations other than the licensee's  
16 premises; provided that:

17 (A) The manufacturing takes place in Hawaii; ~~[and]~~

18 (B) ~~[The]~~ Each of the other [location is] locations:

19 (i) Operates within the State under the same  
20 trade name for the premises; and



(ii) Is properly licensed [under the same ownership,] within the county of its operation as a class 1 manufacturer licensee, class 2 restaurant licensee, class 4 retail dealer licensee, class 5 dispenser licensee, class 12 hotel licensee, class 14 brewpub licensee, or class 18 small craft producer pub licensee;

(C) The county liquor commission of the county in which the licensee satellite is located shall have jurisdiction of the satellite; and

(D) All requirements of the license class of the location shall be in effect as required by the county liquor commission for the satellite licensed premises; and

(10) May allow minors, who are accompanied by a parent or legal guardian of legal drinking age, on the licensee's premises."

SECTION 3. Section 281-33.6, Hawaii Revised Statutes, is amended to read as follows:



1       "§281-33.6 Direct shipment of [~~wine~~] liquor by [~~wineries~~.]  
2 producers. (a) Any person holding:

3       (1) A general excise tax license from the department of  
4       taxation; and

5       (2) Either:

6           (A) A class 1, class 14, class 16, or class 18  
7           license to manufacture [~~wine~~] liquor under  
8           section 281-31; or

9           (B) A license to manufacture [~~wine~~] liquor issued by  
10          another state,

11 may pay any applicable fees and obtain a direct [~~wine~~] liquor  
12 shipper permit from the liquor commission of the county to which  
13 the [~~wine~~] liquor will be shipped authorizing the holder to  
14 directly ship [~~wine~~] liquor to persons in the county pursuant to  
15 this section.

16       (b) The holder of a direct [~~wine~~] liquor shipper permit  
17 may sell and annually ship to any person twenty-one years of age  
18 or older in the county that issued the permit, no more than six  
19 nine-liter cases of wine, no more than forty-two gallons of  
20 beer, and no more than two nine-liter cases of spirits per  
21 household for personal use only and not for resale, and shall:



- 1 (1) Ship [~~wine~~] liquor directly to the person only in  
2 containers that are conspicuously labeled with the  
3 words:  
4 "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS  
5 OR OLDER REQUIRED FOR DELIVERY.";
- 6 (2) Require that the carrier of the shipment obtain the  
7 signature of any person twenty-one years of age or  
8 older before delivering the shipment;
- 9 (3) Report no later than January 31 of each year to the  
10 liquor commission in each county where a direct [~~wine~~]  
11 liquor shipper permit is held, the total amount of  
12 [~~wine~~] liquor shipped to persons in the county during  
13 the preceding calendar year;
- 14 (4) Pay all applicable general excise and gallonage taxes.  
15 For gallonage tax purposes, all [~~wine~~] liquor sold  
16 under a direct [~~wine~~] liquor shipper permit shall be  
17 deemed to be [~~wine~~] liquor sold in the State; and
- 18 (5) Be subject to audit by the liquor commission of each  
19 county in which a permit is held.
- 20 (c) The holder of a license to manufacture [~~wine~~] liquor  
21 issued by another state may annually renew a direct [~~wine~~]



1 liquor shipper permit by providing the liquor commission that  
2 issued the permit with a copy of the license and paying all  
3 required fees. The holder of a class 1, class 14, class 16, or  
4 class 18 license to manufacture [~~wine~~] liquor under section  
5 281-31 may renew a direct [~~wine~~] liquor shipper permit  
6 concurrently with the [~~class 1~~] applicable license by complying  
7 with all applicable laws and paying all required fees.

8 (d) The sale and shipment of [~~wine~~] liquor directly to a  
9 person in this State by a person that does not possess a valid  
10 direct [~~wine~~] liquor shipper permit is prohibited. Knowingly  
11 violating this law is a misdemeanor.

12 (e) The liquor [~~+~~]commission[~~+~~] in each county may adopt  
13 rules and regulations necessary to carry out the intent and  
14 purpose of this section."

15 SECTION 4. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17 SECTION 5. This Act shall take effect on July 1, 2019.



**Report Title:**

Liquor Licenses; Brewpubs; Small Craft Producer Pubs; Satellite Locations; Retail Sales; Intoxicating Liquors; Containers; Direct Shipping; Manufacturers

**Description:**

Allows a class 18 small craft producer pub licensee to manufacture not more than 125,000 barrels of malt beverages on the licensee's premises during the license year. Clarifies that a class 14 brewpub licensee or class 18 small craft producer pub licensee may conduct certain activities at satellite locations other than the licensee's primary manufacturing premises under certain conditions. Clarifies the definition of "growler". Allows direct shipment of all forms of liquor, rather than just wine, by certain licensees. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

